

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Marathon Oil Company P.O. Box 3487 Houston, Tx. 77253		² OGRID Number 14021
⁴ Property Code 006442	⁵ Property Name J. L. MUNCY	³ API Number 30- 025-36967 ⁶ Well No. 13
⁹ Proposed Pool 1 BLINEERY OIL		¹⁰ Proposed Pool 2 TUBB OIL

⁷ Surface Location

UL or lot no. O	Section 24	Township 22-S	Range 37-E	Lot. Idn	Feet from the 330'	North/South Line South	Feet from the 1830'	East/West line EAST	County LEA
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⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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Additional Well Location

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3313'
¹⁶ Multiple Yes	¹⁷ Proposed Depth 6800'	¹⁸ Formation TUBB & Blineery	¹⁹ Contractor UNKNOWN	²⁰ Spud Date ASAP
Depth to ground water > 50'		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8 5/8"	24	1250	400	SURFACE
7 7/8"	5 1/2"	17	6800'	1200	SURFACE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Proposed BOPE: Surface hole: 13 5/8", 3m, dual ram, rotating head.
Production Hole: 11", 3m, dual ram, rotating head.
Mud program; Fresh water, 0'-1250'. 10 ppg. Brine-1250-6800' Gel as needed. All casing shall be run & cemented according

to OCD Rule #107. All BOPE shall be installed and tested according to OCD Rules #109 & #114. Rig H2S plan attached.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.
Signature: *mfmm*

Printed name: **Mike Mick**

Title: **Adv. Sr. Eng. Tech**

E-mail Address: **mfmmick@marathonoil.com**

Date: **11-09-04**

Phone: **713-296-3254**

OIL CONSERVATION DIVISION

Approved by: *[Signature]*

Title: **PETROLEUM ENGINEER**

Approval Date: **NOV 23 2004**

Expiration Date:

Conditions of Approval:

Attached ☐

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State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36967	Pool Code 60240	Pool Name Tubb
Property Code 006442	Property Name J.L. MUNCY	Well Number 13
OGRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 3309'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	24	22-S	37-E		330	SOUTH	1830	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=500813.3 N X=876595.1 E</p> <p>LAT.=32°22'15.42" N LONG.=103°06'48.93" W</p>	<p>40Ac</p> <p>330'</p> <p>1830'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>m7mick Signature</p> <p>Mike Mick Printed Name</p> <p>Adv. Sn. Eng. Tech Title</p> <p>11-20-04 Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 21, 2004</p> <p>Date Surveyed</p> <p>JR</p> <p>Signature & Seal of Professional Surveyor</p> <p>GARY H. EIDSON 10/23/04</p> <p>04-11.1344</p> <p>Certificate No. GARY EIDSON 12641</p>

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WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36967	Pool Code 06660	Pool Name Blinebry
Property Code 006442	Property Name J.L. MUNCY	Well Number 13
OGRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 3309'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	24	22-S	37-E		330	SOUTH	1830	EAST	LEA

Bottom Hole Location If Different From Surface

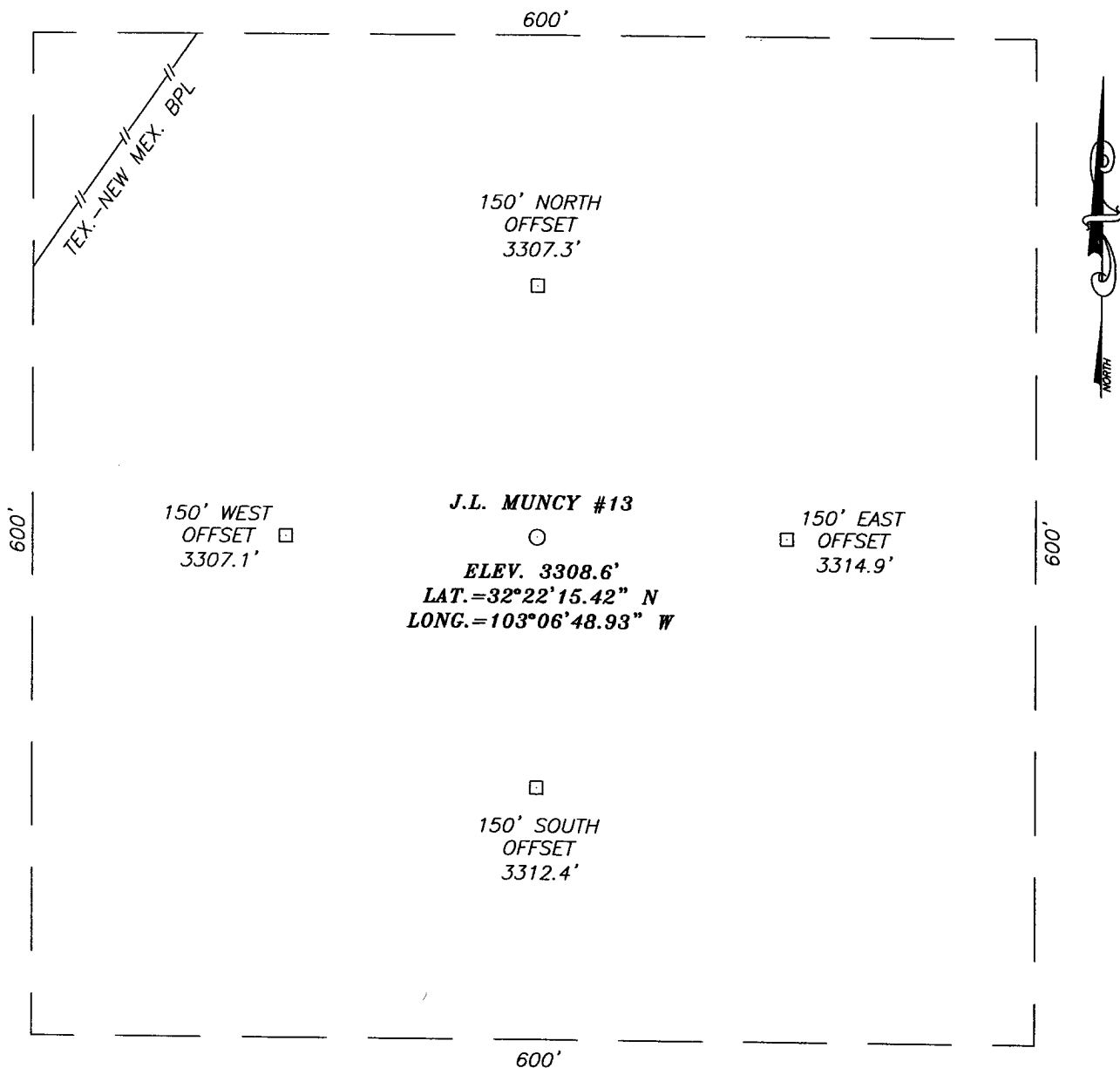
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 4D	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

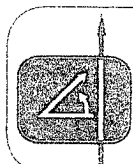
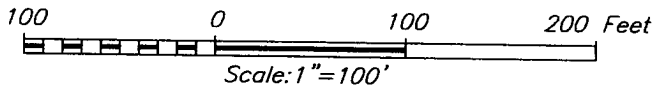
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	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 21, 2004</p> <p>Date Surveyed JR</p> <p>Signature & Seal of Professional Surveyor GARY EIDSON 10/23/04 04.11.1344</p> <p>Certificate No. GARY EIDSON 12641</p>

SECTION 24, TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF DRINKARD RD. & VIVIAN RD, GO EAST ON VIVIAN RD. FOR APPROX. 0.94 MILES TO A CALICHE ROAD ON THE LEFT. TURN LEFT (NORTH) AND GO APPROX. 0.12 MILES TO A CALICHE ROAD ON THE LEFT. TURN LEFT (WEST) AND GO APPROX. 0.4 MILES. PROPOSED LOCATION IS APPROX. 250' SOUTH ACROSS PASTURE.

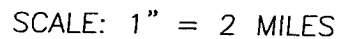


**PROVIDING SURVEYING SERVICES
 SINCE 1946
 JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117**

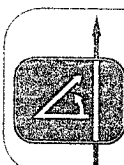
MARATHON OIL COMPANY

J.L. MUNCY #13 WELL
 LOCATED 330 FEET FROM THE SOUTH LINE
 AND 1830 FEET FROM THE EAST LINE OF SECTION 24,
 TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 10/21/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.1344	Dr By: J.R.
Date: 10/26/04	Disk: CD#10
04111344	Scale: 1"=100'

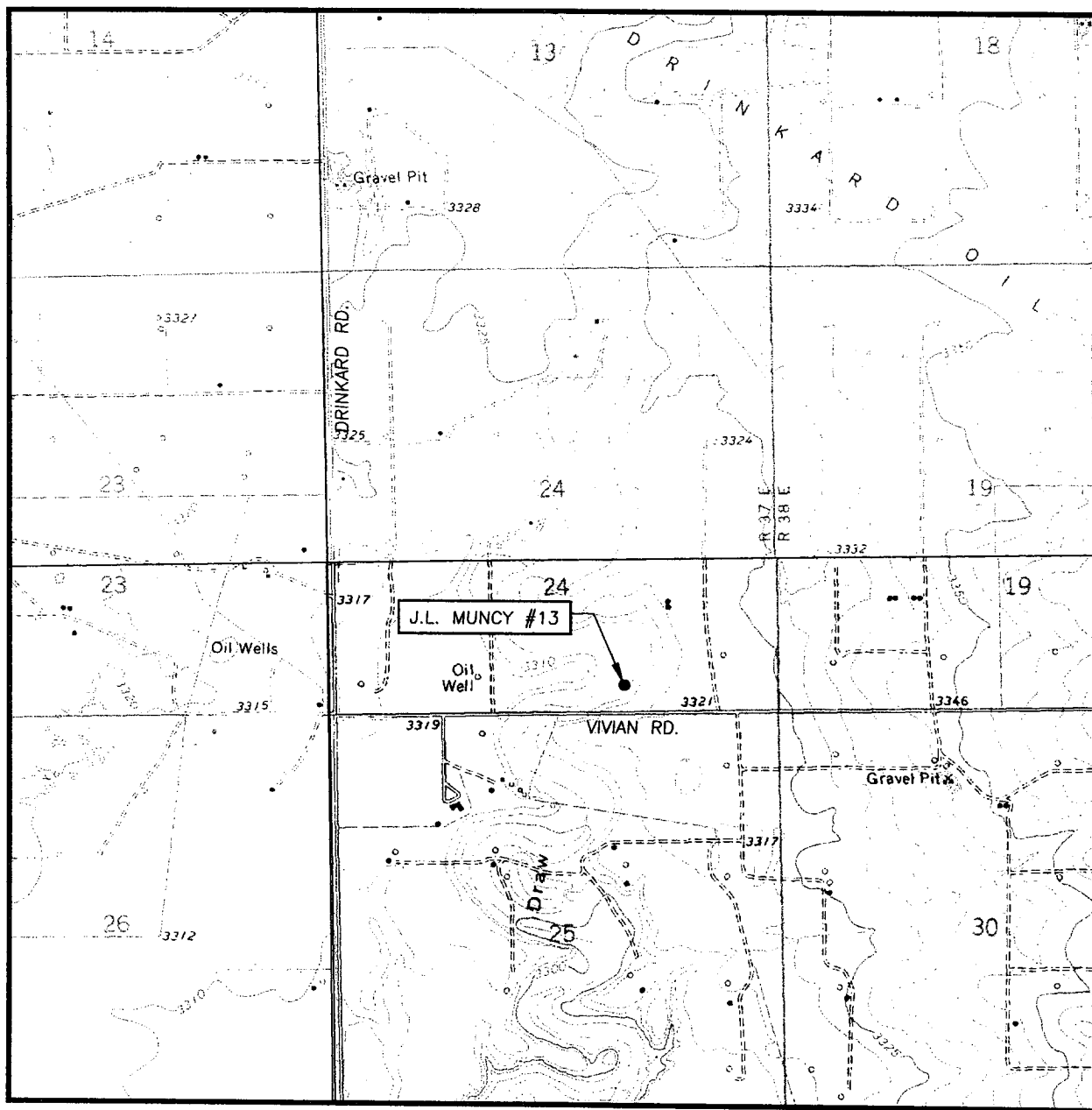


LEASE J.L. MUNCY



**PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117**

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

SEC. 24 TWP. 22-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 330' FSL & 1830' FEL

ELEVATION 3309'

OPERATOR MARATHON OIL COMAPNY

LEASE J.L. MUNCY

U.S.G.S. TOPOGRAPHIC MAP
EUNICE SE, N.M.

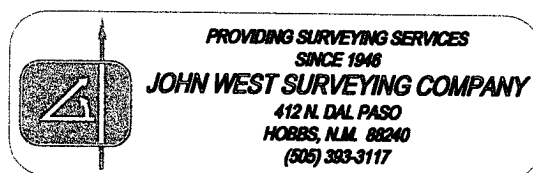
CONTOUR INTERVAL:

EUNICE SE, N.M. - 5'

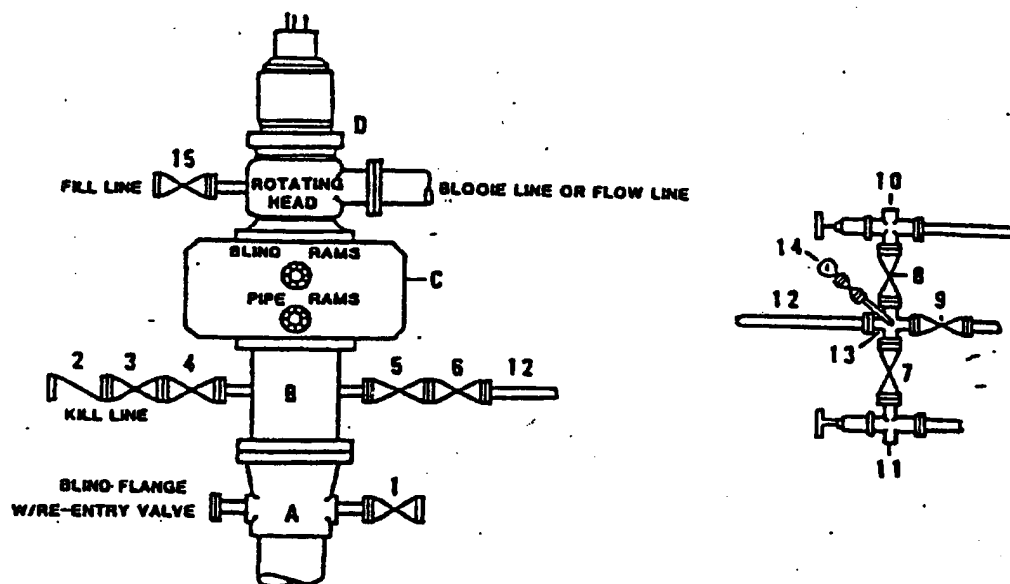
EUNICE, N.M. - 10'

EUNICE NE, N.M. - 5'

RATTLESNAKE CANYON, N.M. - 10'



DRILLING CONTROL



DRILLING CONTROL

MATERIAL LIST - CONDITION VI - B

- | | |
|----------------|---|
| A | Wellhead |
| B | 3000# W.P. drilling spool with a 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line. |
| C | 3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where sub-structure height is adequate, 2 - 3000# W.P. single ram type preventers may be utilized). |
| D | Rotating Head with fill up outlet and extended Bore Line. |
| 1,3,4,
7,8, | 2" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 2 | 2" minimum 3000# W.P. back pressure valve. |
| 5,6,9 | 3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 12 | 3" minimum schedule 80, Grade "B", seamless line pipe. |
| 13 | 2" minimum x 3" minimum 3000# W.P. flanged cross. |
| 10,11 | 2" minimum 3000# W.P. adjustable choke bodies. |
| 14 | Cameron Mud Gauge or equivalent (location optional in choke line). |
| 15 | 2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve. |

MARATHON OIL COMPANY

H2S DRILLING OPERATIONS PLAN

• HYDROGEN SULFIDE TRAINING

All contractors and subcontractors employed by Marathon Oil Company will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.

- 1. The hazards and characteristics of hydrogen sulfide (H2S)**
- 2. Safety precautions**
- 3. Operations of safety equipment and life support systems**

In addition, contractor supervisory personnel will be trained or prepared in the following areas:

- 1. The effect of H2S on metal components in the system. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.**
- 2. Corrective action and shut-down procedures when drilling or reworking a well, blowout prevention and well control procedures, if the nature of work performed involves these items.**
- 3. The contents and requirements of the contingency plan when such plan is required.**

All personnel will be required to carry documentation of the above training on their person.

II. H2S EQUIPMENT AND SYSTEMS

1. Safety Equipment

The following safety equipment will be on location.

A. Wind direction indicators.

B. Automatic H2S detection alarm equipment (both audio and visual).

C. Clearly visible warning signs. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.

D. Protective breathing equipment will be located in the dog house and at briefing areas.

2. WELL CONTROL SYSTEMS

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

- a. pipe rams to accommodate all pipe sizes**
- b. blind rams**
- c. choke manifold**
- d. closing unit**

Auxiliary equipment added as appropriate includes:

- a. annular preventor**
- b. rotating head**
- c. mud- gas separator**
- d. flare line and means of ignition _____**
- e. remote operated choke**

B. Communication

The rig contractor will be required to have two-way communication capability. Marathon Oil Company will have either land-line or mobile telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight, safe drilling practices, and the use of H₂S scavengers when appropriate will minimize hazards when penetrating H₂S bearing zones.

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Energy Minerals and Natural Resources

Oil Conservation Division
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Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: Marathon Oil Co. Telephone: 713-296-3254 mail address: mfmick@marathonoil.co

Address: P.O. Box 3487 Houston, Tx. 77253

Facility or well name: J.L. Muncy #13 API #: 30-025-36967 U/L or Qtr/Qtr SWSE Sec 24 T 22S R 37E

County: LEA Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume 2000 bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet	(20 points)
50 feet or more, but less than 100 feet	(10 points)
100 feet or more X	(0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes	(20 points)
No X	(0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet	(20 points)
200 feet or more, but less than 1000 feet	(10 points)
1000 feet or more X	(0 points)

Ranking Score (Total Points)

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☒ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 11-20-04

Printed Name/Title Mike Mick- Adv. Sr. Eng. Tech

Signature M7Mick

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: NOV 23 2004

Date: _____

Printed Name/Title

PETROLEUM ENGINEER

Signature [Signature]

